

## Alberta's Appetite for Jobs Proving to be Insatiable

By Michael Fotheringham, September 2011

With monthly employment gains the new norm in the Calgary region post-recession, the question on most minds is: what is the extent of the looming labour shortage and how will it be met? In June of this year, Alberta gained 22,000 jobs to build on an impressive total of 36,400 jobs in the previous five months of the year.

The June increase was larger than the entire gain in the United States, and Alberta has now officially regained more jobs than it lost in the recession. With Alberta employment levels growing by 3.5 per cent since June of 2010 – a pace that far outstrips the Canadian average of 1.4 per cent – the economy's appetite for jobs appears to be insatiable. The job gains thus far in 2011 have been welcomed because of the slack in the labour market that resulted from the recession in 2008 and 2009. Unemployment in the Calgary region now stands at 5.8 per cent (June), making the city the sixth lowest amongst Canadian Census Metropolitan Areas (CMAs) behind Regina (5.2 per cent) and Edmonton (5.4 per cent) in the top two spots respectively.

The Prairie provinces are experiencing very robust economic growth, which is driving increased labour demands. This fact proves to be an obstacle for Calgary moving forward as interprovincial migration – one source of employment growth – has traditionally been strong from our western Canadian neighbours. Over the period of 2003 to 2007, Winnipeg, Regina, Saskatoon and Edmonton have all been top contributors to Calgary in terms of net interprovincial migration. With the economic conditions in these cities as buoyant, or more so than Calgary's, this historical reliable source of labour force gains is in question.

Alberta Employment and Immigration has produced an occupational demand and supply outlook report for the period of 2009-19. They anticipate a shortage of 77,000 workers over this time period. This figure is quite conservative given that their assumptions are for GDP growth of 2.6 per cent and an employment growth rate of 1.5 per cent. Employment growth is already at 3.5 per cent and GDP growth rates are already around 3.3 per cent (2010) and expected to be between 3.5 per cent and 4.3 per cent in the years ahead (depending upon the forecast). The Conference Board of Canada is forecasting GDP growth of 3.4 per cent in 2011 and greater than four per cent through to 2015. After analyzing these numbers, one can quickly infer that the forecasted shortage of 77,000 workers is conservative and will likely be much higher if increased GDP growth is desired.

One of the assumptions the Conference Board makes that is pertinent to this conversation is immigration levels in Canada must be at 350,000 by 2027 in order for the forecasted GDP growth to be actualized. In perspective, immigration levels have been hovering at or below 250,000 for the past 20 years with a high of 262,241 in 2005 and a low of 174,198 in 1998. Although 2027 is far away on the horizon, increasing immigration levels by 100,000 seems both overly optimistic and implausible from an immigrant services perspective. All of this to say, there is an apparent gap between labour force supply and demand that is imminent and doesn't appear to be resolving itself without serious reflection and action from government, industry and the community.

One of the ways that Calgary Economic Development (CED) is attempting to play a positive role in attracting labour to the Calgary market is through a marketing campaign called *Calgary. Be Part of the Energy*. In

conjunction with the private sector and the provincial and municipal governments, CED will be launching in eastern Canadian cities this fall. There are also tentative plans to launch internationally in 2012. Calgary Economic Development also launched LiveinCalgary.com in 2010 as an authoritative resource for people looking at making a move to Calgary.

If Calgary businesses want to take advantage of the potential for economic growth in the province, there must be a collaborative approach to tell the story of why Calgary is the place to live and work. To learn more about *Calgary. Be Part of the Energy*, visit [www.bepartoftheenergy.ca](http://www.bepartoftheenergy.ca). To learn more about LiveinCalgary.com, visit [www.liveincalgary.com](http://www.liveincalgary.com).